

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 SS-15 NSC-05 IGA-02 XMB-02

L-03 AID-05 CEA-01 CIAE-00 COME-00 EA-07 FRB-03

INR-07 IO-13 NEA-10 NSAE-00 USIA-06 OPIC-03 SP-02

LAB-04 EPG-02 SIL-01 AGRE-00 OMB-01 /112 W

-----127332 201712Z /41

R 201059Z JUL 77

FM AMEMBASSY BONN

TO SECSTATE WASHDC 9938

DEPARTMENT TREASURY

INFO AMEMBASSY LISBON

LIMITED OFFICIAL USE BONN 11909

E.O. 11652: N/A

TAGS: ECON, EFIN, GW

SUBJECT: FINANCIAL ASSISTANCE FOR PORTUGAL

REF: STATE 163429

1. MODALITIES OF U.S. FINANCIAL ASSISTANCE EFFORT FOR PORTUGAL, PARA 6 REFTEL, PASSED TO FINANCE MINISTRY OFFICIAL, WILLMANN, TUESDAY, JULY 19.

2. APART FROM THE GENERAL CHARACTERISTICS OF THE FRG PACKAGE; \$200 MILLION, GOVERNMENT-GUARANTEED COMMERCIAL CREDITS, UNTIED, FIN MIN OFFICIAL HAD NOTHING CONCRETE TO ADD. NEGOTIATIONS WITH BANKS HAVE NOT YET BEEN INITIATED DUE IN PART TO ABSENCE OF STATE SECRETARY LAHNSTEIN WHO WILL RETURN FROM VACATION LATER THIS MONTH.

3. WILLMANN ADDED, HOWEVER, THAT CURRENT THINKING IN THE FINANCE MINISTRY IS THAT CREDITS WOULD BE ON COMMERCIAL TERMS AND CONDITIONS AND THAT THE INITIAL LIMITED OFFICIAL USE

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DISBURSEMENT WOULD COINCIDE WITH AGREEMENT BETWEEN PORTUGAL AND THE IMF ON AN ECONOMIC STABILIZATION PROGRAM. ADDITIONAL DISBURSEMENTS WOULD HINGE ON COMPLIANCE WITH THAT PROGRAM. DISBURSEMENT SCHEDULE, SHE CONTINUED, COULD BE FLEXIBLE AND TAILORED TO THE NEEDS OF PORTUGAL WHICH SHE OPINED WOULD NECESSITATE A MAJOR PORTION UP FRONT.

4. WILLMANN SAID THAT SHE HAD THE IMPRESSION THAT PORTUGAL'S RESERVES WERE BEING DEPLETED FASTER THAN ANTICIPATED AND WONDERED WHETHER THE U.S. ENVISIONED A NEED FOR ADDITIONAL "BRIDGE" FINANCING PRIOR TO COMPLETION OF DISCUSSIONS WITH THE IMF. IN THIS CONTEXT SHE INQUIRED ABOUT THE CURRENT STATUS OF THE U.S. \$300 MILLION LOAN TO PORTUGAL.

5. EMBASSY REQUESTS GUIDANCE ON REPLY TO QUESTIONS RAISED IN PARA 4.
STOESSEL

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, FUND ALLOTMENT, FOREIGN ASSISTANCE, LOANS
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Copy: SINGLE
Sent Date: 20-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: BONN
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: 77 STATE 163429
Retention: 0
Review Action: RELEASED, APPROVED
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1810954
Secure: OPEN
Status: NATIVE
Subject: FINANCIAL ASSISTANCE FOR PORTUGAL
TAGS: ECON, EFIN, GE, PO
To: STATE TRSY
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/1e380467-c288-dd11-92da-001cc4696bcc
Review Markings:
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